



P.O. Box 2490  
Hobbs, New Mexico 88240  
Telephone 505/393-7106

May 8, 2000

Mr. David Catanach  
Oil Conservation Department  
Energy and Minerals Department  
P.O. Box 2088  
Santa Fe, New Mexico 87501

**RE: Request for Exception to Rule 303-A (Downhole Commingling)  
& Simultaneously Dedicate Tubb Oil & Gas  
J. L. Muncy Well No. 11  
Unit Letter G, 2310' FNL & 1980' FEL  
Section 24, T-22-S, R-37-E  
Blinebry Oil & Gas, Tubb Oil & Gas  
Drinkard Field  
Lea County, New Mexico**

Dear Mr. Catanach:

Marathon Oil Company requests administrative approval for an exception to Rule 303-A to permit the downhole commingling of production in the above subject well from the Blinebry Oil & Gas and Tubb Oil & Gas pools in Lea County, New Mexico.

The J. L. Muncy Well No. 11 was initially drilled in June 1997. Perforations were shot in the Tubb. After stimulating, the Tubb pool was flow tested for two days before setting a RBP. The Blinebry was then perforated and stimulated. Current production is from the Blinebry Oil & Gas pool. The RBP will be removed and the two pools will be downhole commingled. By downhole commingling the production from the two zones, production will be realized that could not economically justify the cost of equipment to separate the zones. Rod pumping equipment will be utilized to keep the PBHP as low as possible, preventing crossflow.

Currently the Blinebry produces from six wells (5 oil & 1 gas) and are shown on attachment. The Tubb currently produces from two wells (gas) and are shown on attachment. Marathon request to simultaneously dedicate the J. L. Muncy Well No. 11, Tubb (gas) with the gas proration unit that already includes J. L. Muncy Well No. 6. Enclosed is pertinent data supporting this application as outlined in Rule 303-A. If additional information is necessary, please contact me at (505) 393-7106, ext 201.

Sincerely,

A handwritten signature in black ink, appearing to read 'Thomas P. Kacir'.

Thomas P. Kacir  
Production Engineer

**REQUEST FOR EXCEPTION TO RULE 303-A**

**J. L. Muncy Well No. 11**

**Drinkard Field**

**A: Operator**

Marathon Oil Company  
P.O. Box 2490  
Hobbs, New Mexico 88241

**B: Lease Name and Well Number**

J. L. Muncy Well No. 11  
Unit Letter G, 2310' FNL & 1980' FEL  
Section 24, T-22-S, R-37-E  
Lea County, New Mexico  
Drinkard: Blinebry Oil & Gas, Tubb Oil & Gas

**C: Plats**

Attached

**D: C-116's**

Attached

**E: Production Decline Curves**

Attached

**F: Estimated Bottomhole Pressures**

	Current
Blinebry Oil & Gas	350 psi
Tubb Oil & Gas	475 psi

**G: Product Characteristics**

Previous commingling of these zones by Marathon and other operators in this area have shown that the produced fluids are compatible and commingling will not cause formation damage.

**H: Value**

Marathon receives the same price for product from these zones and value will not be adversely affected.

**I: Production Allocation**

<u>POOL</u>	<u>BOPD</u>	<u>MCFD</u>	<u>BWPD</u>	<u>Estimated Methods</u>
Blinebry Oil & Gas	6.8	114	4.1	Current Production
Tubb Oil & Gas	<u>0.0</u>	<u>83</u>	<u>1.5</u>	Estimated Production (model)
Total	6.8	197	5.6	

<u>Allocated Percentages</u>	<u>Oil %</u>	<u>Gas %</u>	<u>Water %</u>
Blinebry Oil & Gas	100.0	57.9	73.2
Tubb Oil & Gas	<u>0.0</u>	<u>42.1</u>	<u>26.8</u>
Total	100	100	100

**J: Ownership**

Ownership of all zones is common and correlative rights will not be compromised.



Submit 2 copies to Appropriate  
District Office.  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240  
DISTRICT II  
811 S. 1st Street, Artesia, NM 88210-2834  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-116  
Revised 1/1/89

## OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

### GAS - OIL RATIO TEST

Operator <b>Marathon Oil Company</b>		Pool <b>Blinebry Oil &amp; Gas; Tubb Oil &amp; Gas</b>		County <b>Lea</b>										
Address <b>P.O. Box 2490 Hobbs, NM 88240</b>		TYPE OF TEST - (X) <input type="checkbox"/> Scheduled <input type="checkbox"/> Completion		Special <input checked="" type="checkbox"/> X										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATUS	CHOKE SIZE	TBG PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS-OIL RATIO CUFT/BBL
		U	S	T							R	WATER BBLs.	GRAV. OIL	
J.L. Muncy  Blinebry  Tubb  For information only	11	G	24	22S	37E	05/04/00	P	150		24	4.1	6.8	114	16765
						07/21/97	F	15		24	1	0	146	NA

#### Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60°F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

*Thomas P. Kacir*  
Signature

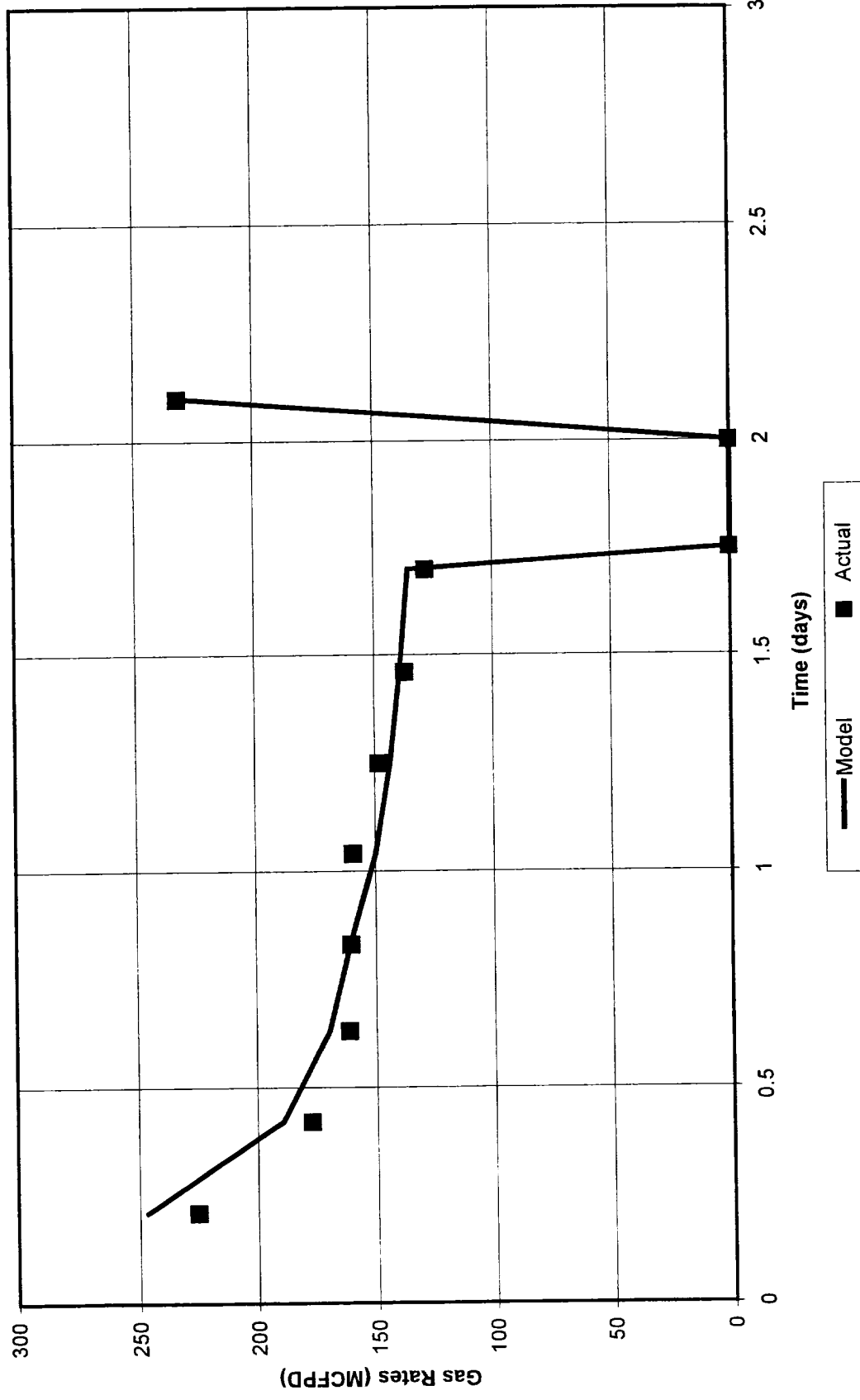
**Thomas P. Kacir**  
Printed name and title

**Engineer**

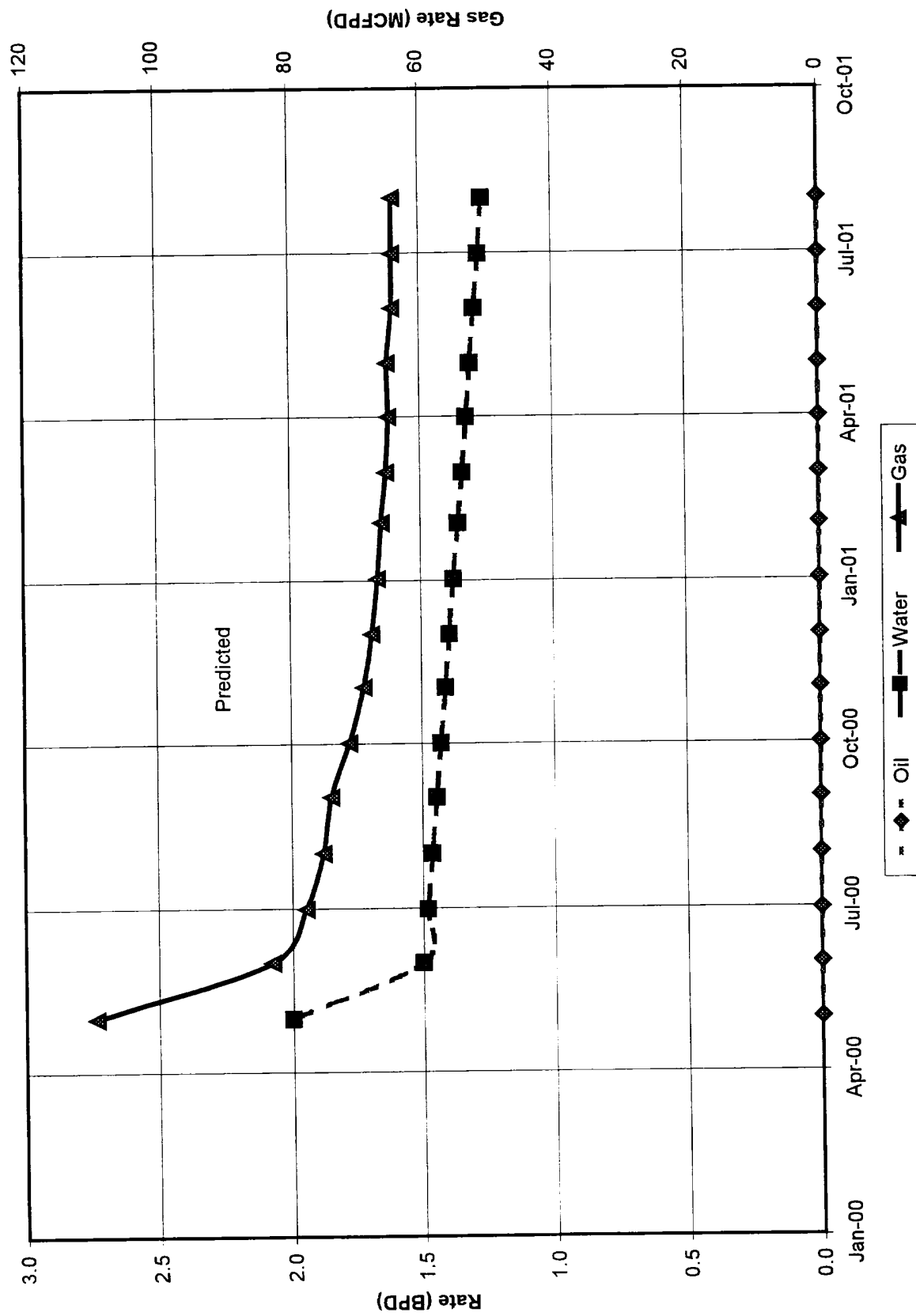
**May 08, 2000**  
Date

**393-7106**  
Telephone No.

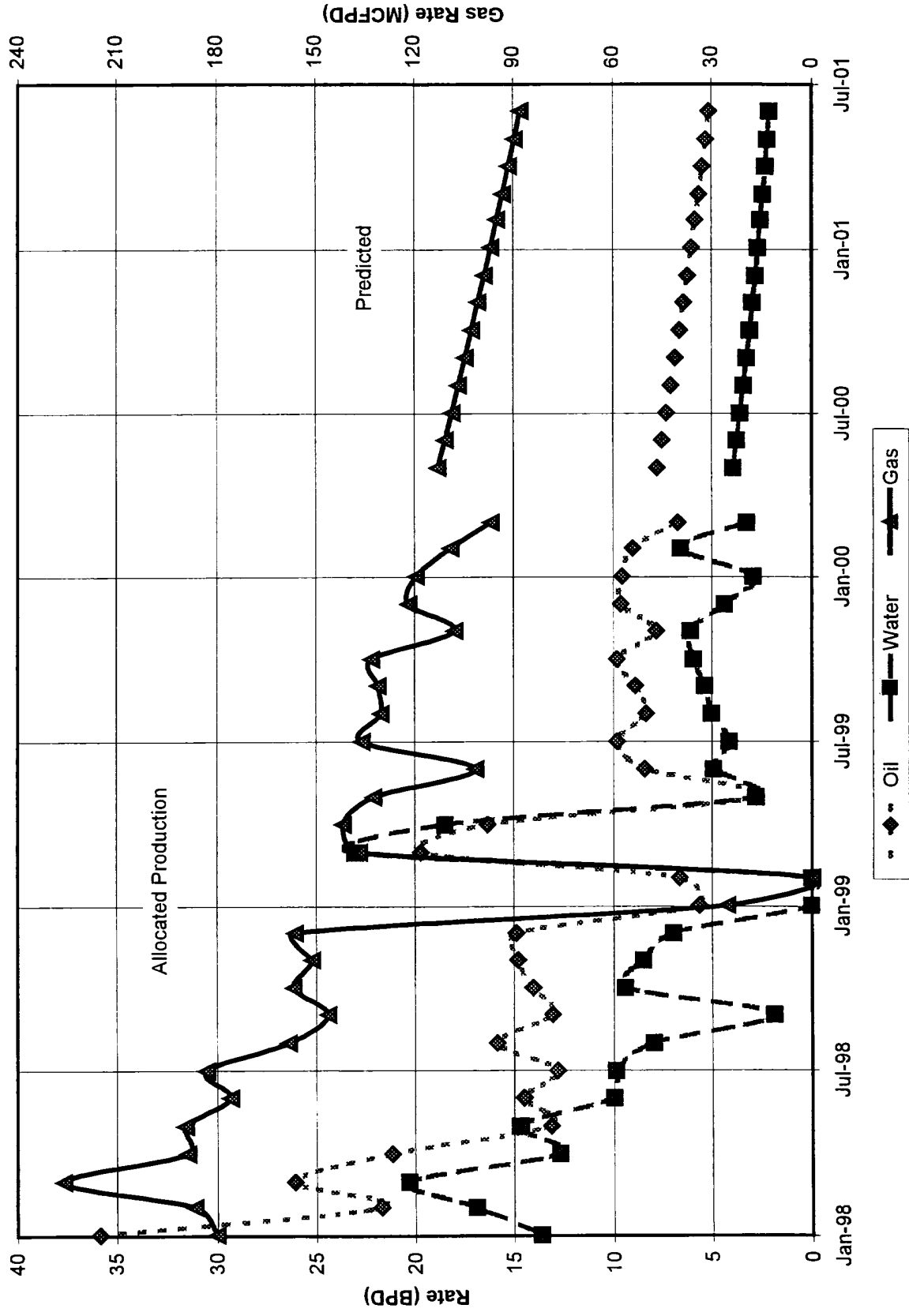
J. L. Muncy #11  
Tubb (July 1997)



# J. L. Muncy Well No. 11 Tubb Production

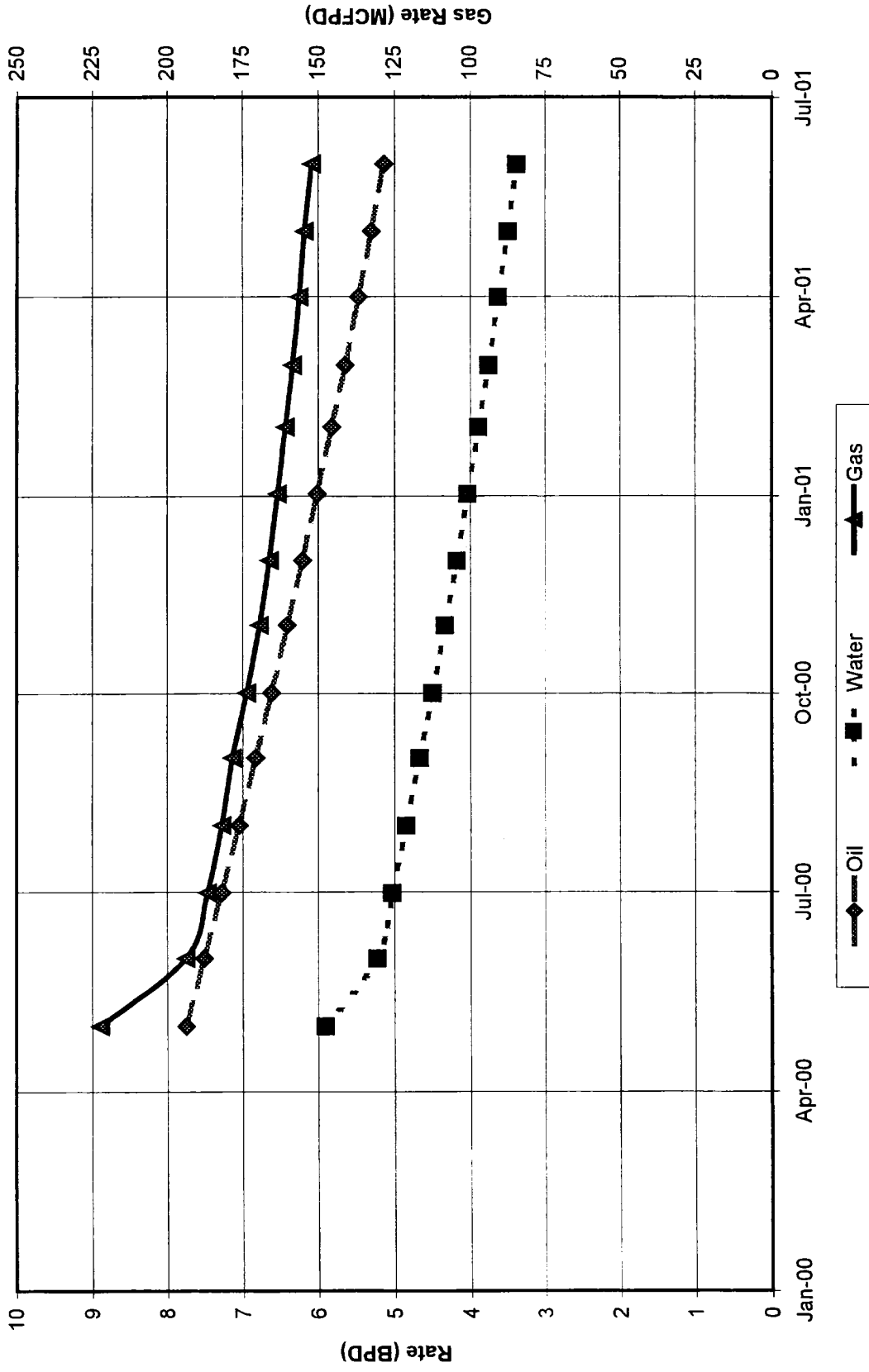


# J. L. Muncy Well No. 11 Blinebry Production





# J. L. Muncy Well No. 11 Total DHC Production



District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
811 S. 1st Street, Artesia, NM 88210-2834  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-33947</b>		<sup>2</sup> Pool Code <b>86440</b>		<sup>3</sup> Pool Name <b>Tubb Oil &amp; Gas</b>	
<sup>4</sup> Property Code <b>6442</b>		<sup>5</sup> Property Name <b>J. L. Muncy</b>			<sup>6</sup> Well Number <b>11</b>
<sup>7</sup> OGRID No. <b>014021</b>		<sup>8</sup> Operator Name <b>Marathon Oil Company</b>			<sup>9</sup> Elevation <b>GL 3313; KB 3329</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
<b>G</b>	<b>24</b>	<b>22-S</b>	<b>37-E</b>		<b>2310</b>	<b>North</b>	<b>1980</b>	<b>East</b>	<b>Lea</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill <b>Y</b>	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

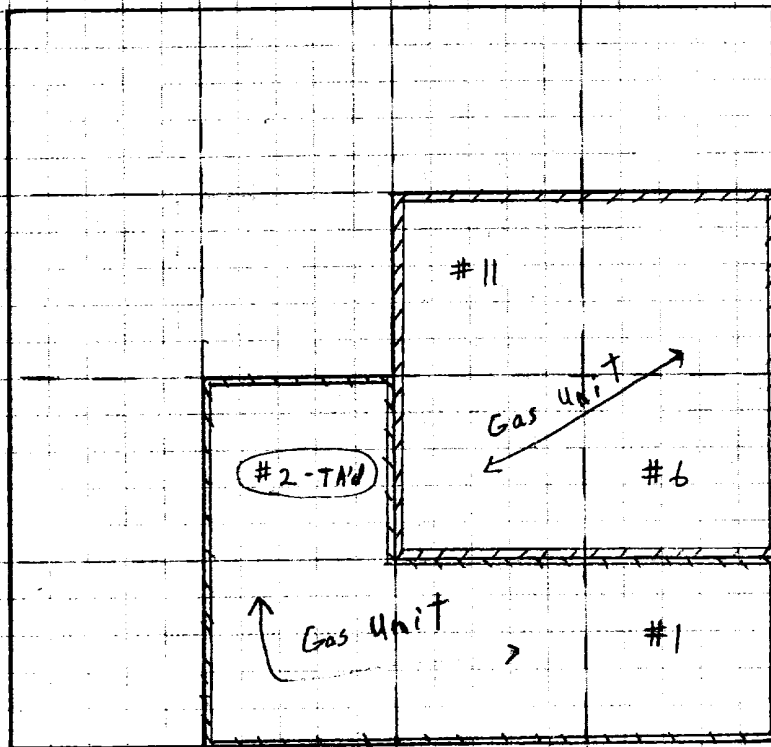
				<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Thomas P. Kacir</i></p> <p>Signature _____</p> <p>Printed Name <b>Thomas P. Kacir</b></p> <p>Title <b>Production Engineer</b></p> <p>Date <b>05/08/00</b></p>	
				<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>_____</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>_____</p> <p>Certificate Number _____</p>	



Subject	J. L. Muncy Lease	Page No.	Of
File	Tubb Oil + Gas Production Units	By T P K	Date 2-14-00

160 Acre Tubb (Gas) Well # 1

160 Acre Tubb Gas Well # 6 add # 11



40 A. Bluebry (Oil) K, H, P, I, G

80 A. Bluebry (Gas) N + O

160 A. Tubb (Oil) K TND

160 A. Tubb (Gas) P, I, G

Pool Code

6660

72480

60240

86440

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
811 S. 1st Street, Artesia, NM 88210-2834  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-33947</b>	<sup>2</sup> Pool Code <b>6660</b>	<sup>3</sup> Pool Name <b>Blinebry Oil &amp; Gas</b>
<sup>4</sup> Property Code <b>6442</b>	<sup>5</sup> Property Name <b>J. L. Muncy</b>	
<sup>7</sup> OGRID No. <b>014021</b>	<sup>8</sup> Operator Name <b>Marathon Oil Company</b>	<sup>6</sup> Well Number <b>11</b>
		<sup>9</sup> Elevation <b>GL 3313; KB 3329</b>

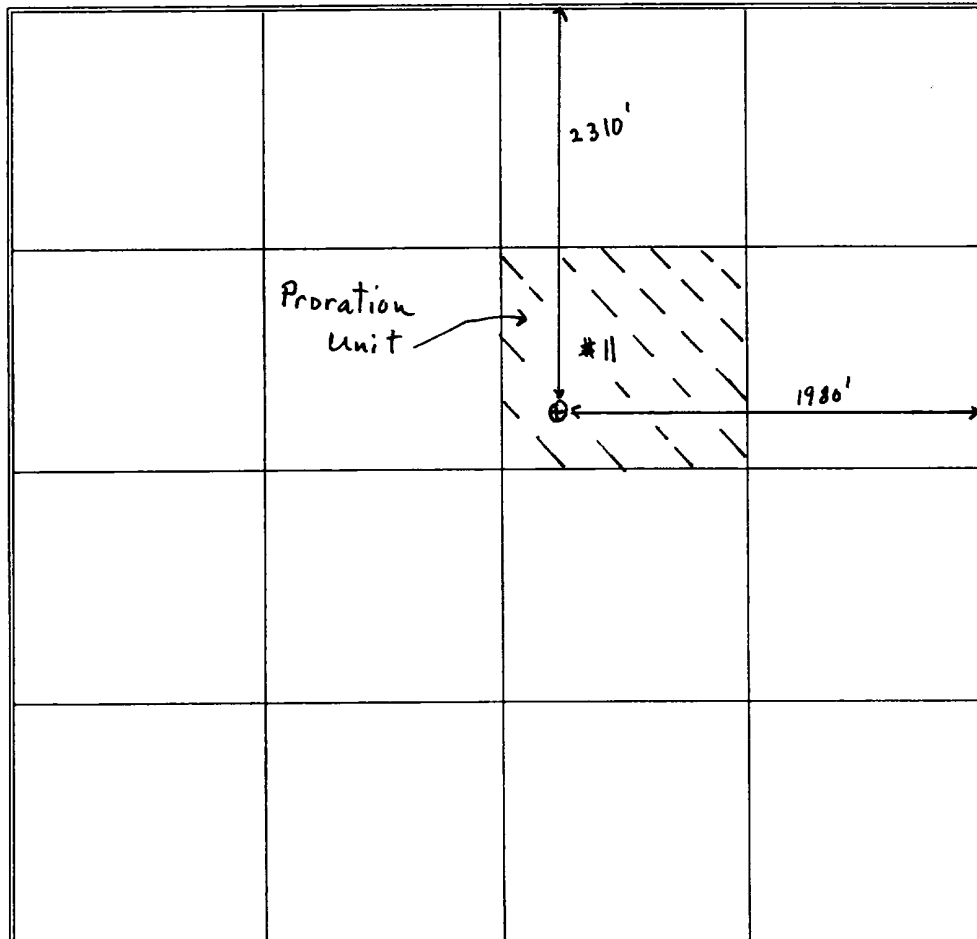
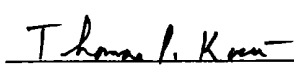
<sup>10</sup> Surface Location

UL or lot no. <b>G</b>	Section <b>24</b>	Township <b>22-S</b>	Range <b>37-E</b>	Lot. Idn	Feet from the <b>2310</b>	North/South Line <b>North</b>	Feet from the <b>1980</b>	East/West line <b>East</b>	County <b>Lea</b>
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres <b>40</b>		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

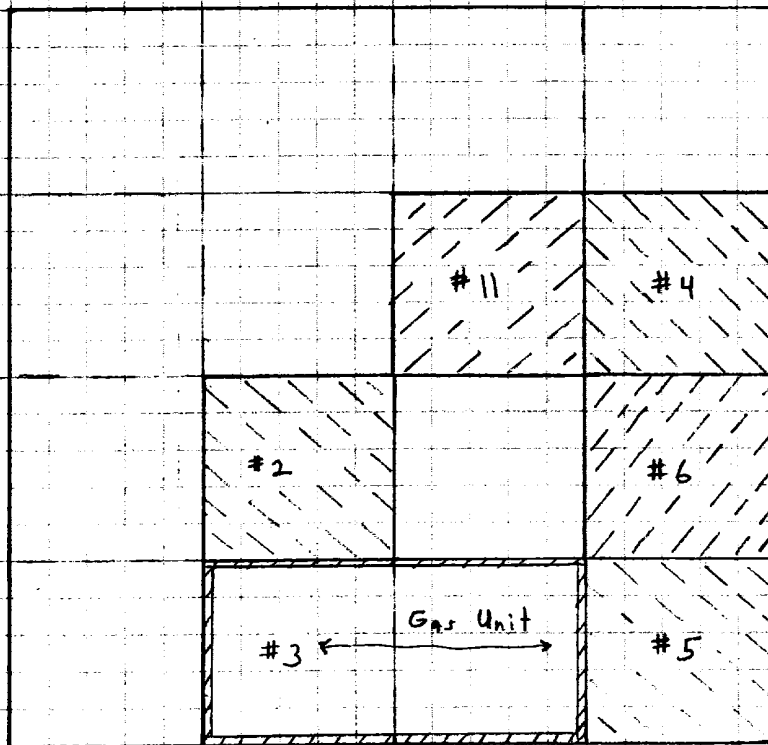
				<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>   Signature <b>Thomas P. Kacir</b> Printed Name <b>Production Engineer</b> Title <b>05/08/00</b> Date
				<sup>18</sup> SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>  Date of Survey  Signature and Seal of Professional Surveyer:  Certificate Number



Subject	J. L. Muncy Lease	Page No.	Of
File	Blinbry Production Units	By TPK	Date 2-14-00

40 Acre Blinbry (Oil) Well # 2, 4, 5, 6, 11

80 Acre Blinbry (Gas) Well # 3 NSP-1476



	Well	U.L.	pool code
40 A. Blinbry (Oil)	K, H, P, I, G		6660
80 A. Blinbry (Gas)	N + O		72480
160 A. Tubb (Oil)	K	TA'd	60240
160 A. Tubb (Gas)	P, I, G		86440

## DISTRICT I

P.O. Box 1990, Hobbs, NM 88240

## DISTRICT II

811 South First St., Artesia, NM 88210

## DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429Form C-107-A  
New 3-12-96

## APPROVAL PROCESS:

☐ Administrative ☐ Hearing

## EXISTING WELLBORE

☒ YES ☐ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

Operator Marathon Oil Company Address PO Box 2490 Hobbs, NM 88241

J.L. Muncy 11 UL G. Sec. 24, T-22-S, R-37-E Lea

014021 6442 30-025-33947 Lea

OGRID NO. 014021 Property Code 6442 API NO. 30-025-33947 Federal    State    Land/Off Fee X

Spacing Unit Lease Types: (check 1 or more)

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Blinebry Oil & Gas 6660	N/A	Tubb Oil & Gas 86440
2. Top and Bottom of Pay Section (Perforations)	5430-5770'		6045-6200'
3. Type of production (Oil or Gas)	Oil		Gas
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure	a. (Current) 350 psi	a.	a. 475 psi
Oil Zones - Artificial Lift: Estimated Current			
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	(July 97) 475 psi
All Gas Zones: Estimated Or Measured Original			
6. Oil Gravity (°API) or Gas BTU Content	37° API		1200 BTU
7. Producing or Shut-in?	Producing		Shut-in
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production	Date: Rates: N/A	Date: Rates:	Date: (7/21/1997) Rates: 0 /146 / 1
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 5/4/2000 Rates: 6.8/114/4.1	Date: Rates:	Date: Rates: N/A
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 100 % Gas: 58 %	Oil: % Gas: %	Oil: 0 % Gas: 42 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No  
Have all offset operators been given written notice of the proposed downhole commingling? ☐ Yes ☐ No - N/A

11. Will cross-flow occur? ☒ Yes ☐ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☐ Yes ☐ No - N/A

15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S)                     

## 16. ATTACHMENTS:

- \* C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- \* Production curve for each zone for at least one year. (If not available, attach explanation.)
- \* For zones with no production history, estimated production rates and supporting data.
- \* Data to support allocation method or formula.
- \* Notification list of all offset operators.
- \* Notification list of working, overriding, and royalty interests for uncommon interest cases.
- \* Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Thomas P. Kacir TITLE Production Eng. DATE 5/9/2000

TYPE OR PRINT NAME Thomas P. Kacir TELEPHONE NO. ( 505 ) 393-7106